

Page 1

1 VOL. 1, PAGES 1 - 132

2 UNITED STATES DISTRICT COURT

3 DISTRICT OF MASSACHUSETTS

4 Civil Action No. 03-10530-EFH

5 -----

6 UTILITY WORKERS, LOCAL 369, et al.,)

7 Plaintiffs)

8 v.)

9 NSTAR ELECTRIC AND GAS CORPORATION,)

10 Defendant)

11 -----

12 .

13 DEPOSITION OF CAROL CORMIER

14 Monday, November 10, 2003

15 10:09 a.m.

16 Morgan, Brown & Joy, LLP

17 One Boston Place

18 Boston, Massachusetts 02109

19

20 *****

21

22

23 Reporter: Lauren M. Mitchell, CSR, RPR

24

<p>1 part of the formal presentation.</p> <p>2 Q. Okay. Do you recall being asked questions</p> <p>3 ever by employees or spouses about whether, after</p> <p>4 they retired, their pension benefits could be</p> <p>5 changed or reduced?</p> <p>6 A. At the Ready Or Not sessions?</p> <p>7 Q. Yes, yes.</p> <p>8 A. I can't remember specifically that, being</p> <p>9 asked that.</p> <p>10 Q. Okay. Did you have an understanding during</p> <p>11 the period when you were the supervisor of payroll</p> <p>12 and employee benefits as to what the answer to such</p> <p>13 a question should have been?</p> <p>14 A. Yes.</p> <p>15 Q. And what would that have been?</p> <p>16 A. That they can't be reduced.</p> <p>17 Q. They cannot?</p> <p>18 A. Right.</p> <p>19 Q. Do you recall hearing Ms. Hayes or anyone</p> <p>20 else who either presented information on health</p> <p>21 insurance in retirement or answered questions that</p> <p>22 might have come up on that subject making statements</p> <p>23 to employees at the Ready Or Not sessions regarding</p> <p>24 whether health benefits could change after a person</p>	<p>Page 26</p> <p>1 management personnel, such as yourself and Ms.</p> <p>2 Hayes, who were making the presentation?</p> <p>3 MR. KELLY: Objection; foundation as to</p> <p>4 Ms. Hayes.</p> <p>5 MR. MUNTYAN: Okay. Yes, you're right.</p> <p>6 Q. Let me just ask about yourself first.</p> <p>7 A. Okay.</p> <p>8 Q. Did you make any assumption -- and let me</p> <p>9 focus in on the first year you're in that</p> <p>10 supervisor's position.</p> <p>11 Did you make any assumption or have any</p> <p>12 belief as to whether health insurance benefits of</p> <p>13 retirees could be changed after they retired?</p> <p>14 A. My own knowledge of it?</p> <p>15 Q. Yes.</p> <p>16 A. No, I did not. I thought that they would --</p> <p>17 I never gave it a thought. Nobody put the thought</p> <p>18 in my head that they would change.</p> <p>19 Q. All right, all right.</p> <p>20 And had anyone ever said to you that</p> <p>21 they affirmatively would not change; that whatever</p> <p>22 those benefits were upon a retiree's retirement were</p> <p>23 fixed forever?</p> <p>24 A. There was a feeling that was the way it was.</p>
<p>1 retired?</p> <p>2 A. You're asking specifically about when Betty</p> <p>3 Hayes was doing the presentation?</p> <p>4 Q. Let's start with that.</p> <p>5 A. Okay.</p> <p>6 Q. And do you recall whether Betty Hayes ever</p> <p>7 said to folks at a Ready Or Not that health</p> <p>8 insurance benefits that they received after they</p> <p>9 retired were either guaranteed to never change for</p> <p>10 the rest of their life or could change at some point</p> <p>11 after their retirement; anything on that issue?</p> <p>12 A. I don't think she ever said they were</p> <p>13 guaranteed never to change. I don't think it came</p> <p>14 up at all.</p> <p>15 Q. Okay.</p> <p>16 A. The only changes that we had made were</p> <p>17 increases to the benefits. I don't think anybody</p> <p>18 thought that they would decrease benefits.</p> <p>19 So, I don't think that question really</p> <p>20 was raised at Ready Or Not when Betty Hayes was</p> <p>21 doing the presentations.</p> <p>22 Q. All right. And when you say you don't think</p> <p>23 anybody really thought they could be reduced, is</p> <p>24 that a fair statement about the assumption of the</p>	<p>Page 27</p> <p>1 The reason why I told you that is</p> <p>2 because when there were slight changes in the plan,</p> <p>3 a co-pay went from \$3 to \$5, the retirees didn't</p> <p>4 receive that change, because that was an increase</p> <p>5 that they hadn't had when they were working.</p> <p>6 Q. They stayed as they had been?</p> <p>7 A. They stayed at three, whereas working people</p> <p>8 were increased to five.</p> <p>9 Q. Okay.</p> <p>10 A. However, whenever a benefit was better for</p> <p>11 an improvement in the plan, that improvement was</p> <p>12 always given to the retirees.</p> <p>13 So, they got the benefit of a good</p> <p>14 change, and they did not have the non-benefit of a</p> <p>15 change that was more expensive to them.</p> <p>16 Q. Okay.</p> <p>17 A. So, that's the philosophy that we were</p> <p>18 working with.</p> <p>19 Q. All right. And so, your conclusions about</p> <p>20 or your assumptions about what the rules were were</p> <p>21 drawn from observing that practice over time?</p> <p>22 A. Yes, yes.</p> <p>23 Q. And did you ever hear anyone in Management</p> <p>24 go beyond a description of what the practice had</p>

<p style="text-align: right;">Page 30</p> <p>1 been, such as you just described, and say that that 2 was Company policy or a rule that retirees could 3 only be affected by changes that were beneficial to 4 them in their benefits, not by any change that would 5 make their benefits less?</p> <p>6 A. Are you asking if anybody actually said that 7 to me that that was a practice or Company policy?</p> <p>8 Q. More than a practice, but it was actually a 9 Company policy or rule?</p> <p>10 A. No. Nobody ever told me that.</p> <p>11 Q. Did you ever overhear anybody saying that to 12 others, anybody in Management making that point to 13 someone else?</p> <p>14 A. No.</p> <p>15 Q. Now, at any point in the 11 years that you 16 were the supervisor, did your understanding of 17 whether retirees' benefits could be changed change 18 from what it had been at the beginning of that 19 11-year period?</p> <p>20 A. Toward the end of that 11-year period.</p> <p>21 Q. Okay. And what caused it to change?</p> <p>22 What changed your understanding of how 23 this worked?</p> <p>24 A. Bernard Peloquin.</p>	<p>1 which I think was around 1994.</p> <p>2 Q. Okay. And did he first begin attending 3 these Ready Or Not sessions when he joined the 4 benefits department?</p> <p>5 A. I would think so, but I couldn't say for 6 sure.</p> <p>7 Q. Okay.</p> <p>8 A. I'm not exactly sure when he joined the 9 benefits department.</p> <p>10 Q. Are you pretty certain he didn't attend 11 Ready Or Not sessions before he joined the benefits 12 department?</p> <p>13 A. I did not see him at any of those.</p> <p>14 Q. All right. And you're clear that he did 15 attend Ready Or Not sessions after he joined the 16 benefits department?</p> <p>17 A. Yes, yes.</p> <p>18 Q. And would it comport with your recollection 19 that he began attending them roughly around the time 20 he joined benefits in 1994?</p> <p>21 A. I would think so.</p> <p>22 Q. All right. Now, did he have a particular 23 piece that he was responsible for presenting to the 24 folks attending these sessions?</p>
<p style="text-align: right;">Page 31</p> <p>1 Q. Okay. At some point, did you begin working 2 with Mr. Peloquin?</p> <p>3 A. I did, but he would attend Ready Or Not 4 sessions.</p> <p>5 Q. All right.</p> <p>6 A. And at that time, we started to hear the 7 flavor that these benefits were not guaranteed, and 8 they could change.</p> <p>9 Q. And did you hear Mr. Peloquin make that 10 point at Ready Or Not sessions yourself?</p> <p>11 A. Yes.</p> <p>12 Q. And did you hear him do that even before you 13 directly worked with him?</p> <p>14 A. Yes.</p> <p>15 Q. All right. Were you aware -- did it come to 16 your attention at all when Mr. Peloquin joined the 17 Company?</p> <p>18 A. When he joined the Company?</p> <p>19 Q. When he first started working for the 20 Company.</p> <p>21 A. No, I did not know.</p> <p>22 Q. If you can recall, when do you think you 23 first met him?</p> <p>24 A. When he joined the benefits department,</p>	<p style="text-align: right;">Page 33</p> <p>1 A. He did a presentation on selecting a 2 financial advisor.</p> <p>3 Q. Okay. Was he, was he someone to whom 4 questions could be directed by those attending 5 sessions?</p> <p>6 A. Yes.</p> <p>7 Q. Were they free to ask him questions on 8 subjects other than the particular presentation that 9 he had made?</p> <p>10 If he had spoken, for example, on 11 selecting a financial advisor, were employees and 12 their spouses limited to asking him questions about 13 just that subject?</p> <p>14 A. No.</p> <p>15 Q. Now, did you observe, hear yourself, in 16 person, anyone besides Mr. Peloquin make the point 17 to folks attending the Ready Or Nots that retiree 18 health benefits could be subject to change in the 19 future?</p> <p>20 A. Yes; especially in the later sessions, the 21 later years.</p> <p>22 Q. Okay. Who else besides Mr. Peloquin did you 23 hear make that point?</p> <p>24 A. Well, I think Doug Miller would have made</p>

<p>1 that point.</p> <p>2 Q. When you say he would have, are you assuming</p> <p>3 that that's likely, or do you recall actually</p> <p>4 hearing him do so?</p> <p>5 A. I believe I've heard him do so.</p> <p>6 Q. Okay. I'm sorry for interrupting.</p> <p>7 Anyone else?</p> <p>8 A. And the person making the presentation, you</p> <p>9 know, Kate Casale or any of the benefit reps that</p> <p>10 were attending the session; Don Tucker -- maybe not</p> <p>11 Don Tucker -- Don Graham.</p> <p>12 I don't think Don Tucker would have said</p> <p>13 that. That was before.</p> <p>14 Q. Had he -- are you saying that Mr. Tucker</p> <p>15 stopped being in that role by the time Mr. Peloquin</p> <p>16 was on board and making the point that these things</p> <p>17 could change?</p> <p>18 A. I believe so.</p> <p>19 Q. All right. What about Betty Hayes?</p> <p>20 And what I mean by that is, do you</p> <p>21 recall whether Ms. Hayes ever shifted from saying</p> <p>22 nothing about benefits being subject to change in</p> <p>23 retirement to pointing out that they could possibly</p> <p>24 change in retirement?</p>	<p>Page 34</p> <p>1 to Doug Miller at corporate?</p> <p>2 A. No.</p> <p>3 Q. Okay. Did Mr. Miller ever give you</p> <p>4 instruction about the content of your presentation</p> <p>5 to the folks at the Ready Or Not sessions?</p> <p>6 A. No.</p> <p>7 Q. Did you ever observe him give such</p> <p>8 instruction -- excuse me -- to any of the other</p> <p>9 benefits people who made presentations at Ready Or</p> <p>10 Not sessions?</p> <p>11 A. No.</p> <p>12 Q. Did you ever -- does that include Betty</p> <p>13 Hayes?</p> <p>14 A. I didn't see him give her any instructions.</p> <p>15 Q. Did you ever learn secondhand that he had</p> <p>16 given instructions to any of the other benefit</p> <p>17 people who made presentations at the Ready Or Nots?</p> <p>18 A. No.</p> <p>19 Q. Okay. Speaking just for yourself -- now,</p> <p>20 I'm just really asking about your own thought</p> <p>21 process in, say, 1986, when you became the</p> <p>22 supervisor -- would it be fair to say that it was</p> <p>23 your assumption that whatever benefits an employee</p> <p>24 retired with, health benefits I'm referring to,</p>
<p>1 A. I don't recall specifically. She might</p> <p>2 have.</p> <p>3 Q. Okay.</p> <p>4 A. I'm not sure when she left.</p> <p>5 Q. All right.</p> <p>6 (Pause.)</p> <p>7 Q. In the 11 years that you were the supervisor</p> <p>8 of payroll and employee benefits at Comm. Gas, who</p> <p>9 did Mr. DiNardo report to?</p> <p>10 A. Well, he reported to Ken Margossian, the</p> <p>11 president of Commonwealth Gas Company.</p> <p>12 Q. All right.</p> <p>13 A. No. Wait a minute. I'm sorry.</p> <p>14 He reported to the vice-president of</p> <p>15 human resources.</p> <p>16 Ken Margossian had that position at some</p> <p>17 point, but that was before I was the supervisor of</p> <p>18 payroll and benefits.</p> <p>19 So, it was Jack Connors was the</p> <p>20 vice-president.</p> <p>21 Q. Was that who Mr. DiNardo reported to?</p> <p>22 A. Yes.</p> <p>23 Q. All right. And did Mr. DiNardo or you have</p> <p>24 any sort of dotted-line reporting relationship over</p>	<p>Page 35</p> <p>1 would remain unchanged throughout that person's</p> <p>2 retirement?</p> <p>3 A. Yes, it was.</p> <p>4 Q. Okay. And is it also fair to say that that</p> <p>5 remained your assumption up until the time that you</p> <p>6 began to hear Mr. Peloquin say something different</p> <p>7 than that at Ready Or Not sessions?</p> <p>8 A. Yes.</p> <p>9 Q. Okay. Can you recall over what portion of</p> <p>10 the 11 years that you were the supervisor of payroll</p> <p>11 and benefits Betty Hayes was with the Company and</p> <p>12 making regular presentations at the Ready Or Nots?</p> <p>13 A. Just about that whole time.</p> <p>14 Q. Oh, okay. All right.</p> <p>15 And at some point during that span of</p> <p>16 years, did you hear Ms. Hayes at Ready Or Not, at a</p> <p>17 Ready Or Not session indicate to the participants</p> <p>18 that retiree health benefits could be changed in</p> <p>19 retirement?</p> <p>20 A. I don't recall her saying that.</p> <p>21 Q. Okay. And do you recall whether she said</p> <p>22 the opposite; that they could not be; that whatever</p> <p>23 the benefit was at the time of retirement would</p> <p>24 remain the exact same throughout the individual's</p>

10 (Pages 34 to 37)

<p style="text-align: right;">Page 38</p> <p>1 life?</p> <p>2 A. No. Could you just repeat that, please?</p> <p>3 Q. Right. You had said you don't recall her</p> <p>4 specifically saying that there would be a change in</p> <p>5 a retiree's health benefits. And I was wondering</p> <p>6 about the reverse.</p> <p>7 Did she ever say to people, there can</p> <p>8 never be a change in your health benefits once you</p> <p>9 retire?</p> <p>10 A. I must be -- didn't you just say the same</p> <p>11 thing?</p> <p>12 Could you --</p> <p>13 Q. Sure. That's all right.</p> <p>14 I guess the first thing I was asking</p> <p>15 about was, did she warn them it could change.</p> <p>16 And you said you don't recall her saying</p> <p>17 that ever.</p> <p>18 A. Right.</p> <p>19 Q. And the second question was, well, did she</p> <p>20 promise them it never would change?</p> <p>21 A. No. I don't think it ever came up. I never</p> <p>22 heard her say that.</p> <p>23 Q. Did you ever have a conversation with Betty</p> <p>24 Hayes yourself -- and I'm not talking to a</p>	<p style="text-align: right;">Page 40</p> <p>1 And if I understood you, in the earlier</p> <p>2 years, you folks gave them the information</p> <p>3 sufficient to permit them to do a calculation of</p> <p>4 their pension benefit.</p> <p>5 A. The whole time. There were overheads and</p> <p>6 handouts during all of the Ready Or Not sessions,</p> <p>7 but just in later years, they were given additional</p> <p>8 information which was their own pension calculation</p> <p>9 at Ready Or Not.</p> <p>10 Q. All right. Now, was Don Graham your</p> <p>11 counterpart at Comm. Electric while you were at</p> <p>12 Comm. Gas?</p> <p>13 A. Yes; for part of the time.</p> <p>14 When I first became supervisor of</p> <p>15 payroll, he was the payroll supervisor at Comm.</p> <p>16 Energy.</p> <p>17 And Don, Donald Tucker was my</p> <p>18 counterpart at Commonwealth Electric.</p> <p>19 Q. All right.</p> <p>20 A. And when Donald Tucker retired, then Donald</p> <p>21 Graham became my counterpart with the payroll and</p> <p>22 benefits.</p> <p>23 Q. Do you have an approximate recollection when</p> <p>24 that was that Mr. Tucker retired and Mr. Graham</p>
<p style="text-align: right;">Page 39</p> <p>1 presentation about one of the groups at the Ready Or</p> <p>2 Not; just a conversation between the two of you --</p> <p>3 where the subject came up of whether retiree</p> <p>4 benefits were guaranteed for life once the person</p> <p>5 retired?</p> <p>6 A. No, it didn't.</p> <p>7 Q. Okay. While you were with Comm. Gas, did</p> <p>8 you attend any kinds of seminars or training</p> <p>9 sessions of any kind with respect to benefits before</p> <p>10 you became the supervisor of payroll and benefits or</p> <p>11 while you were supervisor?</p> <p>12 A. No.</p> <p>13 Q. Was your training for the position, do you</p> <p>14 think, would it be fair to characterize it as</p> <p>15 on-the-job training?</p> <p>16 A. Yes.</p> <p>17 Q. All right. And when you met with folks at</p> <p>18 Ready Or Not sessions, did you hand anything out in</p> <p>19 writing to them describing what their situation</p> <p>20 would be once they retired?</p> <p>21 Before I ask you that question, you</p> <p>22 already said earlier that later on in the process,</p> <p>23 they'd get a sheet that had numbers showing what</p> <p>24 their pension would be.</p>	<p style="text-align: right;">Page 41</p> <p>1 moved into the job?</p> <p>2 A. Probably around 1990.</p> <p>3 Q. Okay. In addition to having the opportunity</p> <p>4 to attend Ready Or Not sessions, did Comm. employees</p> <p>5 have an opportunity to sit down individually with</p> <p>6 any representatives from benefits to get more</p> <p>7 one-on-one attention on these same kinds of issues?</p> <p>8 A. Oh, yes; definitely.</p> <p>9 Q. And if an employee of Comm. Gas, for</p> <p>10 example, between '86 and '97 wanted to sit with</p> <p>11 someone and ask some questions, who could they have</p> <p>12 met with for that purpose?</p> <p>13 A. That was me.</p> <p>14 Q. Okay. And did you make it a practice to</p> <p>15 hold such meetings?</p> <p>16 A. Yes. That was part of my job.</p> <p>17 Q. Would it be fair to say that most Comm. Gas</p> <p>18 folks, before retiring, did ask to sit down and go</p> <p>19 over it with you?</p> <p>20 A. All -- I would have met with all of them.</p> <p>21 Q. All right. And in preparation for those</p> <p>22 sessions, the individual sessions, were you given</p> <p>23 instruction by anyone on what to say to the</p> <p>24 employees?</p>

<p>1 it's Exhibit 15 to Mr. Miller's deposition, but 2 we'll mark it in your deposition as well. 3 This is a document titled, Information 4 Relative To Employee Benefits Upon Your Retirement 5 Date. It shows that it was prepared for Suzanne 6 Dupont at Comm. Electric Company. 7 And the Bates stamp on the first page is 8 No. 3758. 9 Would you take a look at this and see if 10 this type of document is one that you were familiar 11 with? 12 I'm not really asking about the 13 particular detail of this individual employee and 14 the amounts or benefit levels, but rather whether 15 the type of document was familiar? 16 A. Yes. This is the document that we used to 17 fill in when they were actually going to retire, to 18 fill in their information. I have the same one. 19 Q. So, it was the second step of that two-step 20 process that you referred to earlier? 21 A. Yes. 22 Q. And that particular format was used 23 throughout the Comm. Energy system? 24 A. Yes. This was provided to us by Comm.</p>	Page 50	<p>1 MR. MUNTYAN: All right. Would you mark 2 this as Exhibit 1 to Ms. Cormier's deposition, 3 please. 4 (Marked, Exhibit 1, Information Relative 5 To Employee Benefits Upon Your Retirement Date, 6 regarding Suzanne Dupont.) 7 MR. MUNTYAN: And you can mark that 2. 8 (Marked, Exhibit 2, Information Relative 9 to Employee Benefits Upon Your Retirement Date, 10 regarding Vincent A. Crowley.) 11 Q. Now, Ms. Cormier, I'm going to leave Exhibit 12 1 where you can see it. 13 Exhibit 2 appears to be a similar 14 document headed, Information Relative To Employee 15 Benefits Upon Your Retirement Date. This one is for 16 Vincent A. Crowley. 17 MR. MUNTYAN: And for the record, I'll 18 note, I believe this was used as Exhibit 16 in the 19 Miller deposition. 20 Q. As we did with Exhibit 1, first, I want to 21 ask you, please, to look at that Exhibit 2, and let 22 me know if you recognize that? 23 A. Yes, I do. 24 Q. On the first page of Exhibit 1, Suzanne</p>	Page 52
<p>1 Energy Corp. 2 Q. All right. Would you take a look at about, 3 I think it's going to be about the fifth page in of 4 that document, maybe the fourth. 5 A. Health insurance? 6 Q. Yes. There's a paragraph on medical 7 insurance. 8 And do you see a reference there to 9 something like, this coverage will be for your life? 10 (Pause.) 11 A. No. 12 Q. All right. May I take a look at that 13 document for just a second. 14 (Pause.) 15 Q. In Paragraph 3A, that talks about Medicare 16 Part B. The document given to this employee, the 17 one you're looking at, states that the Company will 18 pay for reimbursement for Medicare Part B, right? 19 A. Yes. 20 Q. Do you recall whether you were ever asked by 21 employees whether that particular provision was 22 guaranteed for life? 23 A. I don't believe anybody asked me if it was 24 guaranteed for life.</p>	Page 51	<p>1 Dupont's document, it shows that the actual 2 retirement date will be June 1 of 1995? 3 A. Yes. 4 Q. Can you tell me what the actual retirement 5 date is for Mr. Crowley? 6 A. August the 1st, 1998. 7 Q. All right. And would you look at the 8 corresponding health insurance section in Exhibit 2, 9 the one most like what you looked at before in 10 Exhibit 1 on health? 11 Could you just read that through to 12 yourself for a moment, so you're familiar with it. 13 (Pause.) 14 A. Okay. 15 Q. When I compare those two documents, I see 16 that there are some differences applicable to health 17 insurance in retirement in the first and the second. 18 And I wanted to ask you whether or not, 19 while you worked for Comm. Gas, the differences in 20 these two documents were ever brought to your 21 attention? 22 A. No. I don't believe they were. 23 Q. All right. Is it fair to say that Exhibit 24 2, like Exhibit 1, was something that was generated</p>	Page 53

<p style="text-align: right;">Page 102</p> <p>1 prospective retirees that their benefits could 2 change during retirement. 3 And I thought what you said was that you 4 didn't get that flavor until Mr. Peloquin attended 5 the Ready Or Not sessions. 6 Is that accurate? 7 A. Yes. 8 Q. Now, can I ask you to distinguish for a 9 moment between what your understanding was from 10 Mr. Peloquin or from anyone else and what was said 11 at the Ready Or Not sessions? 12 And I guess this is my question. 13 Did you first realize that the Company 14 policy was different from what had been the practice 15 from what you heard at a Ready Or Not session? 16 A. I can't -- it wasn't the policy. I can't 17 say it was a policy, but it was just the sharing of 18 the information that that right to change the 19 benefits, your medical benefits, has always been 20 there. And the Company has the right to change 21 them, but not that the Company policy had changed. 22 In fact, I believe they said at this 23 point, there wasn't any intention of changing the 24 benefits at this point in time.</p>	<p style="text-align: right;">Page 104</p> <p>1 it was. 2 Q. And did you know that before 1994? 3 A. Yes; whenever that three -- yes; right. 4 Q. Whenever the \$3/\$5 co-pay went in? 5 A. Yes. I knew they didn't want to get into 6 that whole issue of changing retire health benefits 7 negatively; just positively. 8 Q. Were you involved in discussions around that 9 issue? 10 A. Not really. All those discussions would 11 have happened at Comm. Energy. 12 So, we'd just sort of hear it. 13 Q. Do you recall when it was that the -- the 14 \$3/\$5 issue we're talking about is the prescription 15 drug co-pay, isn't that right? 16 A. Yes. 17 Q. Do you recall when the prescription drug 18 co-pay increased from \$3 to \$5? 19 A. It was quite a long time ago. I think it 20 was in the late '80s. I don't recall the exact 21 date. 22 Q. But you do understand that retirees who had 23 retired with the \$3 prescription co-pay did not have 24 that increased?</p>
<p style="text-align: right;">Page 103</p> <p>1 So, the policy, there wasn't really a 2 policy that these benefits would or would not 3 change. 4 Q. Okay. So, the Company, as you understood 5 it, at least in 1994, the Company reserved the 6 right, under some set of circumstances, to change 7 the health benefits? 8 A. Right. As it says in the summary plan 9 descriptions, they reserve the right to change 10 those. 11 Q. Okay. All right. 12 And you at least heard that in the Ready 13 Or Not sessions in '94 or '95? 14 A. Whenever Bernie started adding them, 15 somewhere in that time period, yes. 16 Q. Now, before that, did you understand that 17 the Company, under some set of circumstances, 18 retained the right to alter retiree health benefits? 19 A. Well, they retained the right to do it, but 20 they really didn't want to, they didn't want to 21 change any of the benefits negatively. 22 That's why, for example, they didn't go 23 from the \$3 to the \$5 co-pay. They didn't want to 24 challenge changing. They wanted to keep it the way</p>	<p style="text-align: right;">Page 105</p> <p>1 A. Oh, yes; right. 2 Q. Now, in 1997, the Company was essentially 3 proposing a retirement incentive with this personnel 4 reduction program? 5 A. Yes. 6 Q. Is that right? 7 A. Yes. 8 Q. Do you recall that the goal of the Company 9 was to encourage a large number of people to retire? 10 A. To terminate employment, yes. 11 Q. To terminate employment? 12 A. Yes. 13 Q. Do you recall what the target was for the 14 personnel reduction program in terms of reduced head 15 count? 16 A. I think it was 500 system-wide. 17 Q. And was that, was that goal achieved? 18 A. Yes. 19 Q. Would it be fair to say that the purpose of 20 the personnel reduction program was to reduce head 21 count? 22 A. Yes. 23 Q. And incent people, to encourage people to 24 retire by giving them benefits that they wouldn't</p>